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Separate paging is given to this Part in order that it may be filed as a Separate Compilation.

PART V

Bills introduced in the Gujarat Legislative Assembly

(To be translated into Gujarati and the translation to be published in the *Gujarat Government Gazette*. The date of publication to be reported.)

The following Bill is published with the consent of the Speaker given under the proviso to rule 127A of the Gujarat Legislative Assembly Rules:-

THE GUJARAT FISCAL RESPONSIBILITY (AMENDMENT)

BILL, 2021.

GUJARAT BILL NO. 1 OF 2021.

A BILL

further to amend the Gujarat Fiscal Responsibility Act, 2005.

It is hereby enacted in the Seventy-second Year of the Republic of India as follows:-

1. (1) This Act may be called the Gujarat Fiscal Responsibility (Amendment) Act, 2021.

Short title and
Commencement.

(2) It shall be deemed to have come into force on the 12th January, 2021.

**Amendment
of section 5 of
Guj. 11 of
2005.**

2. In the Gujarat Fiscal Responsibility Act, 2005, (hereinafter referred to as “the principal Act”), in section 5, to clause (b), the following proviso shall be inserted, namely:-

**Guj. 11 of
2005.**

“Provided that, for the financial year 2020-21, additional fiscal deficit of 2 percent over and above 3 percent of Gross State Domestic Product (up to 5 percent) shall be permissible.”.

**Repeal and
saving.**

3. (1) The Gujarat Fiscal Responsibility (Amendment) Ordinance, 2021 is hereby repealed.

**Guj. Ord.
1 of 2021.**

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act as amended by this Act.

STATEMENT OF OBJECTS AND REASONS

The Gujarat Fiscal Responsibility Act, 2005 has been enacted to provide for the responsibility of the State Government to ensure fiscal stability and sustainability and to enhance the scope for social and fiscal infrastructure and human development by achieving sufficient revenue surplus, reducing fiscal deficit and removing impediments to the effective conduct of fiscal policy and prudent debt management through limits on State Government's borrowings, Government guarantees, debt and deficit, greater transparency in fiscal operations of the State Government and use of a medium term fiscal transparency framework.

The COVID-19 pandemic has adversely affected the resources of the States and the Centre. In view of this, to raise additional resources, the Central Government has allowed an additional borrowing limit of 2 per cent of the Gross State Domestic Product to the State Governments for the financial year 2020-2021. The State Governments are required to amend their Fiscal Responsibility and Budget Management Laws. Therefore, it is necessary to amend the aforesaid Act.

As the Legislative Assembly of the State of Gujarat was not in session, at that time, the Gujarat Fiscal Responsibility (Amendment) Ordinance, 2021 was promulgated to achieve the aforesaid objects.

This Bill seeks to replace the said Ordinance by an Act of the State Legislature.

Dated the 15th February, 2021.

NITIN PATEL.

By order and in the name of the Governor of Gujarat,

K. M. LALA,

Secretary to the Government of Gujarat,
Legislative and Parliamentary Affairs
Department.

Gandhinagar,
Dated the 16th February, 2021.
